EXHIBIT 38

From: Tener, Brent B [/O=VANDERBILT/OU=NMO ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=TENERBB]
Sent: 8/24/2014 6:48:35 PM
To: Christiansen, Douglas [douglas.christiansen@Vanderbilt.Edu]
Subject: Section 568 Anti Trust Exemption
Attachments: ANTITRUST EXEMPTION TALKING POINTS REVISED.DOCX

Flag: Follow up

Doug,

The following includes a draft email to Nick regarding the 568 Anti-Trust exemption and why it is important to us. Please let me know if you have any questions.

Brent

Nick,

The following is a head's up for you (no action required at this point). Attached includes talking points regarding the expiration of Section 568, which is the federal law that provides an antitrust exemption to qualifying colleges and universities to establish common approaches for the awarding of institutional (non-federal) student financial aid. Section 568 is scheduled to expire on September 30, 2015. The talking points were developed by the 568 President's Group.

We recommend the extension of the 568 exemption. Vanderbilt benefits from this exemption, having the opportunity to discuss the methodology used to determine eligibility for need-based financial aid with similar institutions. This discussion allows for a common approach, so a family's expected family contribution does not vary to any great extent from school to school. It helps to avoid bidding wars between schools, so families can focus on other aspects of selecting an institution; not focusing on the lowest net price.

If the exemption were to expire, it would cause instability in the marketplace with the potential of need-based financial aid packages varying widely amongst institutions. We could be forced into a bidding war for students, using need-based aid as a major tool. This could cause an increase in need-based aid expenditures if we choose to engage, or we run the risk of losing students based upon net price.

Please let me know if have additional questions regarding 568.

DLC

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ANTITRUST EXEMPTION FOR NEED-BASED FINANCIAL AID

In 1994, Congress enacted an antitrust exemption to allow qualifying colleges and universities to establish common approaches for awarding non-federal, institutional student aid. By passing this legislation, Congress recognized that it is in the public interest for colleges and universities that adhere to a specific set of guidelines regarding financial aid to work together to develop financial aid policies that enhance access to higher education. Accordingly, the statute authorized efforts by need-blind institutions to develop and maintain common principles of how need should be determined when awarding institutional aid. The provision does not permit discussion or comparison of awards for individual students or the "packaging" of aid awards. The exemption seeks to increase access to higher education by promoting financial aid policies that support the largest possible number of financially needy students. Section 568 is scheduled to expire on September 30, 2015.

What is Section 568 and What Does the Exemption Allow?

Under current law, colleges and universities that are need-blind in their admissions decisions qualify for a limited antitrust exemption that allows them to establish common principles for assessing financial need. The statute authorizes efforts by eligible institutions to develop common principles for how need should be determined for the awarding of institutional aid by permitting eligible institutions to:

1. agree to award aid only on the basis of demonstrated financial need;
2. use common principles of analysis for determining the need of students for that aid;
3. use a common application form for institutional aid; and
4. exchange certain financial data through an independent third party before the award of institutional aid.

The Work of the 568 Presidents' Group

Under the auspices of the exemption, a group of institutions with need-blind admissions policies came together to develop a "Consensus Methodology" of need analysis that would provide for the consistent treatment of families in like circumstances. For many families, especially those in the middle-income range, the new methodology had the effect of reducing the expected family contribution. The 568 Group's Consensus Methodology does not preclude an institution's internal policies but it does serve as a guideline for participating schools.

The existence of the exemption and the work of the 568 Presidents' Group has led to institutional policies that favor need-based aid in the following ways:

- The 568 Group's need analysis methodology has pioneered a number of new approaches, some adopted nationally by The College Board, that have resulted in a fairer and more rational means of measuring a family's ability to pay for college. Consensus on the use of common standard-of-living indices and the treatment of divorced/separated parents are two such examples of this review process.

- The 568 Group provides its financial aid professionals with a "safe harbor" forum for discussing and agreeing upon what is the most fair-minded way to award need-based financial aid.

- Section 568 provides a statutory definition of when a school is acting in a "need blind" manner when making admission decisions, thereby providing an external standard by which the public may have confidence in these institutional practices. The statute states that admission " 'on a need-blind basis' means without regard to the financial circumstances of the student involved or the student's family."

- As a result of the 568 Group's efforts, financial aid directors have developed specific guidelines for exercising individual "professional judgment" when assessing the needs of students from families with unusual personal or financial circumstances. When such exceptions are warranted, guidelines developed by the Group provide financial aid officers with benchmarks to guide them as they give special consideration to individual families with special needs.

The GAO Report

In 2006, the Government Accountability Office was commissioned by Congress to conduct a study assessing the "effect the antitrust exemption for institutional student aid has had on undergraduate grant aid and parental contributions to undergraduate costs of attendance." The study reported that there was no evidence of the exemption resulting in anti-competitive behavior; to the contrary, the GAO uncovered evidence of an increase in need-based aid for both middle- and low-income students at both institutions within the 568 Group and at other institutions. The GAO also discovered that many of the 568 Group recommendations for methodological revisions that better serve students and parents had been adopted by the College Board as well as by individual institutions. In an Appendix to the GAO report, the 568 Presidents' Group asserted that the exemption has made the financial aid system more "transparent" to families and has encouraged helpful innovations in institutional financial aid policy.